



Tanzania Breweries Limited

Tanzania Breweries Limited today announces its results for the year ended 31st March 2016.

HEADLINE RESULTS			
	2016 TZS M	2015 TZS M	% Change
Total Revenue	1,112,608	1,073,124	4%
Gross Profit	538,194	528,382	2%
Operating Profit	330,070	318,339	4%
Basic Earnings Per Share	771	718	7%
Dividend Per Share	600	500	20%

Company Profile

Tanzania Breweries Limited (TBL), a subsidiary of SABMiller, manufactures, sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL as a major player in the beverage sector is committed to the export of its products to niche and neighboring markets under the East Africa common market trading arrangement. TBL has a controlling interest in Tanzania Distilleries Limited and

Darbrew Limited. TBL's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL group are Konyagi Gin, Amarula Cream and Redds Premium Cold. The TBL group is listed on the Dar es Salaam Stock Exchange, employs about 2,200 people and is represented throughout the country with four clear beer breweries, a distillery, an opaque business, a malting facility and 8 distribution depots.

Overview of SABMiller

SABMiller is one of the world's largest brewers with brewing interests or distribution agreements in over 60 countries across six continents. The group brands include premium international brands such as Miller Genuine Draft, Peroni Nastro Azzurro, Grolsch, Fosters and Pilsner Urquell, as well as an exceptional range of market leading local brands. SABMiller is listed on the London and Johannesburg stock exchanges.

Financial Review

Tanzania Breweries Limited group of companies (TBL) has delivered a satisfactory set of results despite extremely challenging market and economic conditions for the year ended 31 March 2016. Revenue increase of 4% over prior year was driven mainly by volume growth. Lager volumes were up on prior year mainly as a result of price stability, following no excise duty increase, as well as growth in the affordable sector.

The following brands performed exceptionally well in the year: Eagle Lager, Balimi and Bia Bingwa. Wines and Spirits volumes were down on prior year due to increased competition in the spirits market.

Traditional beer volumes were significantly up on prior year with impressive growth from Chibuku Super. Operating profit ended 4% ahead of prior year mainly due to production and cost efficiencies. The Tanzanian Shilling depreciated by over 25% against the US dollar over the period. This placed additional pressure on the cost of imported production materials.

Total cash generated from operations amounted to TZS 373 billion, of which TZS 93 billion was utilised to pay corporate tax, while the remaining amount funded capital expenditure, repayment of bank borrowings and interest expenses. Dividends of TZS 184 billion were paid to shareholders.

The growth in earnings was achieved largely as a result of volume growth, improved efficiencies, as well as focused cost management, whilst operating in an extremely challenging environment.

I would like to thank the Board, management and employees for their efforts and continued support as well as our customers, consumers and all stakeholders for their loyalty.

Roberto Jarrin

Roberto Jarrin
Managing Director

TANZANIA BREWERIES LTD AND ITS SUBSIDIARIES

Statement of Profit or Loss and Other Comprehensive Income For the Year ended 31 March 2016

	2016 TZS M	2015 TZS M	% change
Revenue	1,112,608	1,073,124	4%
Cost of sales	(574,414)	(544,742)	
Gross profit	538,194	528,382	2%
Selling and distribution costs	(142,027)	(154,666)	
Administrative expenses	(60,341)	(55,485)	
Other (expenses)/income	(5,882)	(185)	
Fair value gain on derivatives	126	293	
Operating profit	330,070	318,339	4%
Finance income	6,596	209	
Finance costs	(8,854)	(9,617)	
Profit before income tax	327,812	308,931	6%
Income tax expense	(98,831)	(92,376)	
Profit for the year	228,981	216,555	6%
Attributable to:			
Non-controlling interests	6,073	9,119	
Equity holders of company	222,908	207,436	
	228,981	216,555	6%
Other comprehensive income:			
Cash flow hedges:			
Gains/(losses) on cash flow hedges	1,403	(5,033)	
Deferred tax on fair value (loss)/gain	(431)	1,075	
Total comprehensive income	229,953	212,597	8%
Attributable to:			
Non-controlling interests	6,062	8,953	
Equity holders of parent company	223,891	203,644	
	229,953	212,597	
Basic earnings per share (TZS)	771	718	7%
Diluted earning per share (TZS)	756	703	8%
Dividend per share (TZS)	600	500	20%

TANZANIA BREWERIES LTD AND ITS SUBSIDIARIES

Statement of Cash Flows For the Year ended 31 March 2016

	2016 TZS M	2015 TZS M	% change
Cash flows from operating activities:			
Cash generated from operations	373,078	365,312	
Interest paid	(9,307)	(5,786)	
Income tax paid	(93,295)	(95,342)	
Net Cash inflow from operating activities	270,476	264,184	2%
Cash flows from investing activities			
Purchase of property, plant and equipment	(59,382)	(84,931)	
Purchase of Intangible assets	(1,096)	(709)	
Interest received	3,218	312	
Proceeds from disposal of property, plant and equipment	1,248	122	
Net Cash used in investing activities	(56,012)	(85,206)	-34%
Cash flows from financing activities:			
Dividends paid to company's shareholders	(176,292)	(146,768)	
Dividends paid to non controlling interests	(7,701)	(4,941)	
Repayments of bank borrowings	(750)	(2,625)	
Net cash used from financing activities	(184,743)	(154,334)	
Net Increase in cash and cash equivalents	29,721	24,644	21%
Cash and cash equivalents at beginning of the year	(19,662)	(40,772)	
Exchange gain/ (loss) on cash and cash equivalent	3,378	(3,533)	
Cash and cash equivalents at the end of the year	13,437	(19,661)	

TANZANIA BREWERIES LTD AND ITS SUBSIDIARIES

Statement of Financial Position as at 31 MARCH 2016

	2016 TZS M	2015 TZS M	% change
ASSETS			
Non-current assets			
Property, plant and equipment	506,977	503,359	
Intangible assets	49,165	49,086	
Investments	88	88	
	556,230	552,533	1%
Current assets			
Derivative financial instruments	1,111	813	
Inventories	125,991	120,309	
Trade and other receivables	177,477	157,028	
Current income tax	-	6,591	
Bank and cash balances	38,127	35,767	
	342,706	320,508	
Total assets	898,936	873,041	3%
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	29,493	29,493	
Share premium	45,346	45,346	
Retained earnings	584,930	538,979	
Other reserves	(13,697)	(14,680)	
	646,072	599,138	
Non-controlling Interests	12,018	13,657	
Total equity	658,090	612,795	7%
LIABILITIES			
Non-current liabilities			
Borrowings	529	1,500	
Deferred income tax	50,323	53,178	
Defined pension benefits	4,200	-	
	55,052	54,678	1%
Current liabilities			
Provision for other liabilities and charges	2,235	739	
Derivative financial instruments	2,529	3,760	
Trade and other payables	153,139	144,439	
Borrowings	25,661	56,630	
Current income tax	2,230	-	
	185,794	205,568	-10%
Total Liabilities	240,846	260,246	
Total Equity and Liabilities	898,936	873,041	3%

TANZANIA BREWERIES LTD AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Attributable to equity holders of the company					
	Share capital TZS M	Share premium TZS M	Other reserves TZS M	Retained earnings TZS M	Non controlling interest TZS M	Total equity TZS M
Year Ended 31 March 2016:						
Balance at 1st April 2015	29,493	45,346	(14,680)	538,979	13,657	612,795
Comprehensive Income:						
Profit for the year	-	-	-	222,908	6,073	228,981
Fair value gain on cash flow hedges (net of tax)	-	-	983	-	(11)	972
Total comprehensive income	-	-	983	222,908	6,062	229,953
Transaction with owners:						
Dividends provided for or paid	-	-	-	(176,957)	(7,701)	(184,658)
At 31 March 2016	29,493	45,346	(13,697)	584,930	12,018	658,090
Year Ended 31 March 2015:						
Balance at 1st April 2014	29,493	45,346	(10,888)	479,007	9,645	552,603
Comprehensive Income:						
Profit for the year	-	-	-	207,436	9,119	216,555
Fair value loss on cash flow hedges (net of tax)	-	-	(3,792)	-	(166)	(3,958)
Total comprehensive income	-	-	(3,792)	207,436	8,953	212,597
Transaction with owners:						
Dividends provided for or paid	-	-	-	(147,464)	(4,941)	(152,405)
At 31 March 2015	29,493	45,346	(14,680)	538,979	13,657	612,795